

MEMORANDUM

To: House Colleagues
From: Representative Henry Yanez, 25th District
Subject: Co-Sponsorship
Date: December 3, 2014
Re: 100% Disabled Veterans Income Tax Credit

House Bill 5278 would amend the "Income Tax Act of 1967," to provide an income tax credit for 100% disabled veterans who rent or lease their homestead.

On November 11, 2013, Governor Snyder signed P.A. 161, which passed both the House and Senate unanimously, into law. It exempted 100% disabled veteran homeowners and under certain specified conditions, their widows, from property tax liability. Unfortunately, the provisions of P.A. 161 of 2013 are not applicable for 100% disabled veterans who either rent or lease a homestead. My bill intends to ameliorate this oversight and fully realize the spirit and intent addressed in P.A. 161 of 2013.

The formula used by my bill to determine how much property tax a renter or lessee pays and therefore how much of an income tax credit they are entitled to, is analogous to the calculations used to assess a renters' or lessees' property tax liability for purposes of determining the amount of their homestead property tax credit eligibility.

Please note: this is an income tax credit, not an exemption from local property taxes. Local municipalities and school districts will not incur any revenue losses.

Please stop by my office (S0789 HOB), my desk (#74), or contact my office at 32275 if you have any questions.

Let us honor our veterans by eliminating this double standard.

I welcome and encourage your support.

Sincerely,

Henry Yanez